

## Circle Telephone and Electric, LLC

P.O. Box 3  
Circle, Alaska 99733  
(907) 773-5500

June 17, 2014

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: *Connect America Fund*, WC Docket No. 10-90 and *Lifeline and Link Up Reform and Moderation*, WC Docket No. 11-42, 47 C.F.R. §54.313 and §54.422 Annual Reporting Requirements

Dear Ms. Dortch:

In compliance with 47 C.F.R. §54.313 and §54.422 Circle Telephone & Electric, LLC "CTE" respectfully submits CTE's FCC Form 481 Carrier Annual Reporting Data Collection Form. The FCC Form 481 has been completed, certified and submitted to the Universal Service Administrative Company.

As the telecommunications provider for the remote tribal village in interior Alaska, CTE has no access to terrestrial backhaul facilities and is completely reliant on satellite backhaul. Pursuant to 47 C.F.R. §54.313(g), discussion in regard to CTE's dependence on satellite backhaul has been included in CTE's Line 920 Tribal Government Engagement Obligation narrative.

Pursuant to 47 C.F.R. §54.313(i) and §54.422(c), a copy of this filing is also being submitted the Regulatory Commission of Alaska.

If you have any questions in regard to this filing, please contact Julie Donn at (907) 746-5930 or by email at [juliedonn55@gmail.com](mailto:juliedonn55@gmail.com).

Sincerely,



David Masephol  
President

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	613005
<015> Study Area Name	CIRCLE UTILITIES
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Julie Donn
<035> Contact Telephone Number: Number of the person identified in data line <030>	9077465930 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	juliedonn55@gmail.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">613005ak510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">613005ak610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 2px;">613005ak1010.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

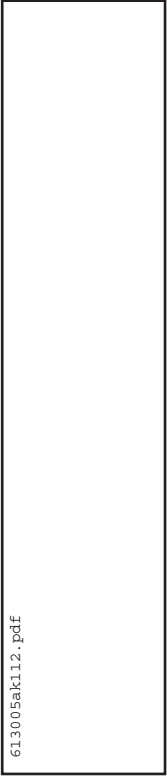
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	
FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data Julie Donn	
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com
<110>	Has your company received its ETC certification from the FCC?	<input type="radio"/> (yes) <input type="radio"/> (no)
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input type="radio"/> (yes) <input checked="" type="radio"/> (no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	<input type="checkbox"/>
<114>	Report how much universal service (USF) support was received	<input type="checkbox"/>
<115>	How (USF) was used to improve service quality	<input type="checkbox"/>
<116>	How (USF) was used to improve service coverage	<input type="checkbox"/>
<117>	How (USF) was used to improve service capacity	<input type="checkbox"/>
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	<input type="checkbox"/>

[illegible]





(800) Operating Companies  
Data Collection Form  
FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn5@gmail.com
<810>	Reporting Carrier	Circle Utilities
<811>	Holding Company	
<812>	Operating Company	

[illegible]

(900) Tribal Lands Reporting  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn5@gmail.com

<910>	Tribal Land(s) on which ETC Serves	Circle Alaska Tribal Community
<920>	Tribal Government Engagement Obligation	613005ak920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	Select (Yes, No, NA)
<922>	Feasibility and sustainability planning;	Yes
<923>	Marketing services in a culturally sensitive manner;	Yes
<924>	Compliance with Rights of way processes	NA
<925>	Compliance with Land Use permitting requirements	NA
<926>	Compliance with Facilities Siting rules	NA
<927>	Compliance with Environmental Review processes	NA
<928>	Compliance with Cultural Preservation review processes	NA
<929>	Compliance with Tribal Business and Licensing requirements.	NA



(1100) No Terrestrial Backhaul Reporting

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

☒

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers

Lifeline Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn5@gmail.com

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	613005ak1210.pdf	
<1220>	Link to Public Website	HTTP	circletelephoneandelectric.com

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting		
<2010>	2nd Year Certification (47 CFR § 54.313(b)(1))	<input type="checkbox"/>
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting (47 CFR § 54.313(e))		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	

<2021>	Interim Progress Community Anchor Institutions	<div></div>
		Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Julie Doim
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedoim55@gmail.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)

Progress Report on 5 Year Plan

Milestone Certification (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3011)

Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012)

Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

Name of Attached Document Listing Required Information

(3013)

Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(Yes/No)

(3014)

If yes, does your company file the RUS annual report

(Yes/No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015)

Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017)

If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(Yes/No)

(3018)

If the response is no on line 3014, Is your company audited?

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019)

Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021)

Management letter issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022)

Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023)

Underlying information subjected to a review by an independent certified public accountant

(3024)

Underlying information subjected to an officer certification.

(3025)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

613005ak3026.pdf

Name of Attached Document Listing Required Information

(3026)

Attach the worksheet listing required information

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	613005
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<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: CIRCLE UTILITIES	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/17/2014
Printed name of Authorized Officer: David Masephol	
Title or position of Authorized Officer: Member Owner	
Telephone number of Authorized Officer: 9077735500 ext.	
Study Area Code of Reporting Carrier: 613005	Filing Due Date for this form: 06/30/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	613005
<015> Study Area Name	CIRCLE UTILITIES
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Julie Donn
<035> Contact Telephone Number - Number of person identified in data line <030>	9077465930 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date:
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	
Name of Authorized Agent or Employee of Agent:	
Signature of Authorized Agent or Employee of Agent:	Date:
Printed name of Authorized Agent or Employee of Agent:	
Title or position of Authorized Agent or Employee of Agent:	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments









## Local Rate Floor Data Collection

Logged in User: Julie Donn



Study Area: CIRCLE TEL & ELEC (ID: 613005)

**Study Area List**

### Study Area - Exchange Level Data for Local Rate Floor

Data Entry History

Instructions

Agent HC RF Cert Form

Carrier HC RF Cert Form (No Rates Less Than \$20.46)

Carrier HC RF Cert Form (With Rates Less Than \$20.46)

Print Submitted Data in PDF format

Print Submitted Data in Excel format

Data Collection Period: 201406 ▼

Name: Julie R  
Donn [First Middle Last]  
Phone: 907-746-5930 [999-999-9999]  
Email: juliedonn55@gmail.com

Enter all exchange/rate zone level rates and their corresponding lines below, where the sum of columns C-F is less than \$20.46.

This data will be used to calculate the impact of the local rate floor on your company's High Cost Support.

(A) Exchange Name/Zone Name	(B) Class Of Service	(C) Residential Local Service Charge	(D) State Subscriber Line Charge	(E) State Universal Service Fee	(F) Mandatory Extended Area Service Charge	(G) Rate Total Subject to Floor (Sum of C-F)	(H) Residential Lines
Circle	Monthly Reside	13.50	4.75	1.24		19.49	11

[To enter additional rows of data, click on the + button.]

If the data form is left blank, select one of the boxes below:

☐ Check here if your company receives or is projected to receive High Cost Loop Support or High Cost Model Support in 2014,

but has no monthly residential rates (plus charges listed above) less than \$20.46 (**certification required**)

☐ Check here if your company is not projected to receive High Cost Loop Support or High Cost Model Support in 2014

☐ Check here if you plan to submit local rate floor data directly to USAC

# Circle Telephone & Electric, LLC

## 5 Year Voice Telephony Work Plan

CPCN: 463/ Study Area: 613005

Circle Telephone & Electric, LLC (CTE) is the eligible telecommunications carrier (ETC), average schedule incumbent local exchange carrier and carrier of last resort for the remote tribal community of Circle, Alaska. As an ETC, CTE provides Universal Service supported services in one exchange. As of December 31, 2013, CTE's customer base consisted of 40 residential and 23 business access line customers. Of CTE's 40 residential customers, 29 were recipients of Universal Service Lifeline support.

Due to the harsh weather conditions and small customer base, CTE is the only voice service provider in the service area. Broadband service is provided in CTE's service area by the satellite service providers Starband and HughesNet. The higher speeds needed by the Circle Tribal Community's medical center are provided by GCI using CTE facilities purchased under the NECA special access ethernet tariff.

Currently, the Circle Tribal Community is satisfied with the broadband services they receive. Content with their existing services, CTE has never received a request for broadband service. Absent a request, CTE has no plans to deploy broadband.<sup>1</sup>

However, CTE did research the cost of deploying broadband and found that, absent terrestrial backhaul, the cost to deploy broadband was too great for the small community to bear. The closest terrestrial backhaul is located in Fairbanks, Alaska 155 miles away. To deploy broadband, CTE would have to purchase satellite backhaul from GCI at a rate of \$14,447 per month. Both CTE and the Circle Tribal Community feel that the cost of satellite backhaul makes the deployment of broadband service cost prohibitive at this time.<sup>2</sup>

Although CTE does not plan to deploy broadband, CTE does use Universal Service support to maintain and upgrade its existing switched access network. Maintenance costs in Alaska are extremely high due to the harsh environmental conditions of interior Alaska.

Over the past five years, the Circle community has experienced three major floods and one major forest fire. The damage from the 2013 Yukon River flood was so severe that the village was declared a federal disaster area. During such emergencies, long hours are spent protecting infrastructure to ensure that there is no loss in service. Because of CTE's due diligence during emergency situations, no loss in service was realized by any

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<sup>1</sup> See *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17674, para. 26.

<sup>2</sup> See *Connect America Fund*, WC Docket No. 10-90, et al., Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) para. 46.

customer other than those who were displaced from their homes. Overall, less than 3% of CTE's customers were displaced by the flood.

To ensure that there is no loss of service, much time is spent repairing lines and assisting emergency crews in efforts to protect the infrastructure from damage. CTE's plant related maintenance and repair costs are approximately \$42,750 per year. The following is a list of ongoing maintenance items for which high cost support is used:

- 1) Due to Arctic environmental conditions, CTE must troubleshoot and repair lines due to disturbances and attenuation caused by moisture, extreme temperature fluctuations, varying tension, heavy frost loads and lightning strikes.
- 2) A large portion of the coverage area is located in a flood plain causing a high occurrence of flood and iceberg damage.
- 3) During the summer months, cable lines are in constant need of repair due tree damage from high winds or fire.
- 4) Frequent main frame distribution rearrangements are needed due to damaged pairs, abnormally high customer relocations, set-up of temporary natural disaster command and control centers.
- 5) Normal preventive tree and brush clearing maintenance along utility right-of-ways.
- 6) The Arctic environment is extremely hard on service and support equipment. Constant maintenance and repair of vehicles and heavy equipment is required.

In addition to CTE's ongoing maintenance needs, high cost funds are also used to fund portions of CTE's capital projects. The following is a list by year of CTE's estimated universal service support as well as CTE's capital projects for which the support may be used:

**2015 (Jan-June 6 months)**

**Estimated High Cost Support: \$25,100**

Winter months; no capital project are planned. All high cost support will be used for ongoing maintenance and repair.

**2015 – 2016****Estimated High Cost Support: \$47,700**

Groundwork for new Central Office Building: CTE currently houses its switching equipment on properties owned by the Yukon Flats School District. A new 20 x 20 central office building is needed to house both CTE and AT&T's telecommunications equipment. Ground work for the new building is scheduled to begin during the 2015 summer construction season. Estimated cost: \$8,200.

Iceberg divergence structure: During spring break-up, large icebergs flow out of the Yukon River causing damage to CTE's cable distribution facilities. To avoid future damage, CTE plans to build a structure that will deflect the icebergs away from the distribution lines. Estimated cost: \$9,000.

Line card upgrade – Phase 1: CTE will begin transitioning in new line cards with enhanced custom calling features (i.e. caller id and call waiting). The cost to purchase new cards for all customers in one year is too great for CTE. Instead, CTE plans on upgrading the line cards over a five year period. Each year 5 new line cards will be installed. Estimated cost: \$7,700.

**2016 – 2017****Estimated High Cost Support: \$45,300**

Begin construction on new Central Office building. The new central office building is expected to be 60% complete by the end of the 2016 construction season. Estimated cost: \$25,000.

Line card upgrade – Phase 2: Complete Phase 2 of line card upgrade of 5 new line cards. Estimated cost: \$7,800.

**2017 – 2018****Estimated High Cost Support: \$43,000**

Complete work on Central Office building. Estimated completion date of the new building is October 2017. Estimated cost: \$15,000.

Line card upgrade – Phase 3: Complete Phase 3 of line card upgrade of 5 new line cards. Estimated cost: \$7,900.

Purchase new reflective line meter. Estimated cost: \$5,000.

**2018 – 2019**

**Estimated High Cost Support: \$40,900**

Install Central Office Security System: Install security fence and cameras around central office. Estimated cost: \$22,850.

Line card upgrade – Phase 4

Complete Phase 4 of line card upgrade of 5 new line cards. Estimated line card upgrade cost year one: \$8,100.

Special maintenance: Relocate and rewire switch into new central office building. Work with AT&T on the relocation of AT&T equipment. Estimated cost: \$14,600.

**Circle Telephone & Electric, LLC**  
**SAC: 613005**  
**FCC Form 481**

**(510) Service Quality Standards and Consumer Protection Rules Compliance**

Circle Telephone & Electric, LLC (CTE) maintains compliance with the service quality standards and consumer protection rules outlined by the Regulatory Commission of Alaska and the Federal Communications Commission.

CTE maintains a business office between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday for customer questions on rates, service changes and payments. After hours, a technician is available in the event of an unforeseen outage or emergency.

CTE's contact information and consumer complaint procedures are posted in the local post office, grocery store, tribal center and on the company website [circletelephoneandelectric.com](http://circletelephoneandelectric.com)

To ensure customer proprietary information is kept confidential, CTE's billing system is maintained by the company member owners. Each month, CTE's accountant is provided the summary local service billing information for financial reporting purposes. To ensure compliance with CPNI regulation, CTE's accountant has been trained in CPNI regulation and has signed a document ensuring her knowledge of and compliance to CPNI regulation.

To enable AT&T to bill long-distance usage, CTE provides AT&T with the customer's name, address and telephone number when a new line is installed utilizing AT&T's CARE procedures. In addition to AT&T, CTE provides the local directory service provider with the customer's name, address and telephone number.

**(610) Functionality in Emergency Situations**

In the event of loss of service or emergency, Circle Telephone & Electric, LLC "CTE" maintains a full complement of spare cards on site. The battery backup system is tested on schedule to ensure that it is providing eight (8) hours of backup power. The local power company, a subsidiary of CTE, has two generators. The generators are rotated to main generator biweekly. A standby generator is used during the move to ensure that there is no loss in service.

CTE maintains two line trucks with a full complement of tools and equipment, a 24/7 technician on duty and one on call. An additional back-up contractor is available on call to assist with service outages due to acts of God or nature.

In the event of an emergency, each technician/lineman is equipped with a satellite phone and a list of emergency contact names and numbers. Technician/lineman training is ongoing.



**(920) Tribal Government Engagement Obligation**

David Masephol, member owner of Circle Telephone & Electric, LLC "CTE" met with Jessica Boyle, Tribal Chief of the Circle Tribal Community to discuss the broadband needs of the village. During the meeting, the following questions were asked:

Question 1: Do you feel that the internet needs in the village of Circle, Alaska are currently being met by the present internet providers (HughesNet, Starband, GCI) both in the home and in the tribal offices?

Response: Yes, We are very happy with the current internet service provided. The internet service meets our needs and is provided at a very affordable rate.

Question 2: Are there any internet or other telecommunication needs that CTE can provide to better serve the village?

Response: Not at this time. The services currently offered meet the needs of the village.

Needs assessment and deployment planning: As shown in the responses above, the tribal community is content with the broadband service they currently receive. Since the community is happy with their current service, CTE has never received a request for broadband service. Absent a request for broadband service, CTE has no immediate plan to deploy broadband.<sup>1</sup>

Feasibility and sustainability planning: Circle is a small remote tribal village in interior Alaska. To deploy broadband service, CTE would have to obtain satellite backhaul since the closest terrestrial backhaul is located in Fairbanks, Alaska 155 miles away. As shown on Exhibit A, the cost of purchase 1.544 Mbps of satellite backhaul is \$14,447 per month. As of December 31, 2013, CTE had 63 access lines to share the cost of deploying broadband. CTE feels that the cost to deploy broadband service is cost prohibitive to both CTE and its customers.<sup>2</sup>

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<sup>1</sup> See *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17674, para. 26.

<sup>2</sup> See *Connect America Fund*, WC Docket No. 10-90, et al., Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) para. 46.

### 1.544 Mbps RATES

#### Description

GCI Private Line service provides data service between specific points suitable for use in any manner compatible with the channel's technical characteristics.

#### Local Exchange Facilities

Local Exchange Facilities for terminating GCI Digital Private Line Service will be obtained from the appropriate exchange carrier at its tariffed rate.

#### Rates and Charges

Rates quoted below are monthly recurring charges (7 days/Week, 24 hrs/day), do not include local channel access charges, and apply to each section of an Interexchange channel, i.e.; between each pair of points, on all types of channels.

#### Installation Charge:

\$200

#### Monthly Rates:

The pricing chart refers to "DAMA Villages". Please see, below the chart, the listing of cities considered "DAMA Villages".

1.544  
Mbps

BETWEEN			Month to Month
Anchorage	Barrow	Satellite	14,447.00
Anchorage	Bethel	Satellite	14,447.00
Anchorage	DAMA Villages	Satellite	14,447.00
Anchorage	Dillingham	Satellite	14,447.00
Anchorage	Dutch Harbor	Satellite	14,447.00
Anchorage	King Salmon	Satellite	14,447.00
Anchorage	Kodiak	Satellite	14,447.00
Anchorage	Kotzebue	Satellite	14,447.00
Anchorage	Nome	Satellite	14,447.00
Anchorage	Delta Jct.	Terrestrial	4,159.00
Anchorage	Eagle River	Terrestrial	608.40
Anchorage	Fairbanks	Terrestrial	5,655.00
Anchorage	Glennallen	Terrestrial	3,729.00
Anchorage	Homer	Terrestrial Terrestrial	5,075.00
Anchorage	Juneau	Terrestrial	6,285.00
Anchorage	Kenai	Terrestrial	2,900.00
Anchorage	Ketchikan	Terrestrial Terrestrial	16,785.00
Anchorage	Palmer	Terrestrial Terrestrial	908.00
Anchorage	Prudhoe Bay	Terrestrial	6,525.00
Anchorage	Seattle	Terrestrial	12,999.00
Anchorage	Seward	Terrestrial	3,515.00

Exhibit A

CTE FCC Form 481

920 Tribal Engagement

Page 2 of 2

**Line 1210: Terms and Conditions of Voice Telephony Lifeline Plans**

Circle Telephone & Electric, LLC "CTE" offers Tribal Low-Income Lifeline service for a flat monthly rate of \$1. CTE's Lifeline rate includes the following discounts:

- \$12.50 Local Service
- \$ 6.50 Federal End User Common Line Charge
- \$ 4.75 State Network Access Fee

All Lifeline recipients receive unlimited local calling minutes. No long distance minutes are included in CTE's Lifeline rate. All long distance usage is measured and billed to the customer by AT&T.

**Lifeline Terms & Conditions:**

- a) Eligibility: A customer is eligible to participate in CTE's Lifeline program if the customer:
  - 1) lives in a household with income at or below 135 percent of the applicable federal poverty guidelines of the state of Alaska, as established by the United States Department of Health and Human Services;
  - 2) receives benefits under:
    - A. Medicaid;
    - B. Food Stamp Program;
    - C. Supplemental Security Income Program;
    - D. Federal Public Housing Assistance Program;
    - E. Low-Income Home Energy Assistance Program;
    - F. Bureau of Indian Affairs General Assistance Program;
    - G. Temporary Assistance for Needy Families;
    - H. Head Start Program and meets the low-income criteria prescribed under 42 U.S.C. 9840;
    - I. National School Lunch Program for free lunches;
    - J. Alaska Temporary Assistance Program;
    - K. Alaska Adult Public Assistance, or;
  - 3) receives benefits under another social services assistance program that uses an income-based means test to determine eligibility for benefits and is administered by the state or federal government.

b) Eligibility Certification:

1) Lifeline subscribers whose eligibility was based on income at or below 135 percent of the applicable federal poverty guidelines as described in paragraph a)1 must sign a document:

- A. certifying under penalty of perjury the number of individuals in the customer's household and the customer's household income;
- B. agreeing to notify CTE when the customer's household income exceeds the 135-percent threshold; and

C. provide a copy of one of the following as proof of income:

- 1. previous year's federal tax return;
- 2. current income statement or an employer paycheck stub;
- 3. statement of benefits from the U.S. Social Security Administration;
- 4. statement of benefits from the U.S. Department of Veterans Affairs;
- 5. a retirement or pension statement of benefits;
- 6. an unemployment or worker's compensation statement of benefits; or
- 7. a federal or tribal notice letter of participation in general assistance.

2) Lifeline subscribers receiving benefits under paragraphs a)2 or a)3 must sign a document:

- A. certifying under penalty of perjury that the customer received benefits from at least one the programs listed;
- B. identifying one or more of the programs listed from which the customer received benefits; and
- C. agreeing to notify CTE when the customer no longer receives benefits from any program that the customer identified.

c) Eligibility Recertification: Annually, CTE meets with each Lifeline recipient and recertifies that the customer still qualifies for Lifeline support based on the criteria outlined in section a) Eligibility.

**Michael C. Burke CPA**  
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michael@burkewatson.com

**Lois A. Watson MBA**  
Cell: (907) 240-4715  
lois@burkewatson.com

May 30, 2014

Mr. David Masephol  
Circle Telephone & Electric, LLC  
PO Box 3  
Circle, Alaska 99733

**Independent Accountant's Review Report**

Dear David:

I have reviewed the Operating Report For Telecommunications Borrowers of Circle Telephone & Electric, LLC as of December 31, 2013, prepared in the required format and in accordance with the requirements of the Federal Communications Commission's ("FCC") Form 481, for the purpose of obtaining limited assurance that there are no material modifications that should be made to the financial data in order for the statements to be in conformity with FCC and Form 481 requirements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the instructions and requirements mandated by FCC accounting requirements, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements as presented on the FCC's prescribed forms. I believe that the results of my procedures provides a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the data contained in the above mentioned report in order for it to be in conformity with the FCC's requirements for reporting on Form 481.

Sincerely yours,

*Michael C Burke*

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Michael C Burke, CPA  
President, Burke Watson, Inc.



<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME  <div style="text-align: center;">Circle Telephone &amp; Electric, LLC</div>			
<i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>		PERIOD ENDING <div style="text-align: center;">December 31, 2013</div>		BORROWER DESIGNATION	
<b>CERTIFICATION</b>  <i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i> <b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>  <b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> <i>(Check one of the following)</i>  <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.                 </div> <div> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report                 </div> </div>					
DATE _____					
<b>PART A. BALANCE SHEET</b>					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	5,416	26,809	25. Accounts Payable	154	227
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable	231,982	263,603	29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	154	227
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	237,398	290,412	39. Funded Debt-Other	69,352	48,253
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	69,352	48,253
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	0	0	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	186,826	194,056	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	23,621	20,734	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	42,587	53,982	55. Other Capital	209,700	289,107
23. Net Plant (18 thru 21 less 22)	167,860	160,808	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	126,052	113,633
	405,258	451,220	58. Total Equity (51 thru 57)	335,752	402,740
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	405,258	451,220

Total Equity = % of Total Assets

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		<b>BORROWER DESIGNATION</b>  Circle Telephone & Electric, LLC	
<b>INSTRUCTIONS- See RUS Bulletin 1744-2</b>		<b>PERIOD ENDING</b>  December 31, 2013	
<b>PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS</b>			
<b>ITEM</b>		<b>PRIOR YEAR</b>	<b>THIS YEAR</b>
1. Local Network Services Revenues		10,582	12,948
2. Network Access Services Revenues		164,992	154,379
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)		175,574	167,327
8. Plant Specific Operations Expense		10,707	12,406
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense		11,360	11,564
11. Amortization Expense		2,887	2,887
12. Customer Operations Expense		1,622	1,617
13. Corporate Operations Expense		19,540	21,639
14. Total Operating Expenses (8 thru 13)		46,116	50,113
15. Operating Income or Margins (7 less 14)		129,458	117,214
16. Other Operating Income and Expenses		544	654
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)		0	0
21. Net Operating Income or Margins (15+16-20)		130,002	117,868
22. Interest on Funded Debt		3,898	3,544
23. Interest Expense - Capital Leases			
24. Other Interest Expense		52	351
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)		3,950	3,895
27. Nonoperating Net Income			
28. Extraordinary Items Yukon River Flood Loss			(340)
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)		126,052	113,633
32. Total Taxes Based on Income Not applicable -Partnership			
33. Retained Earnings or Margins Beginning-of-Year		275,614	335,752
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date Partner Earnings/Draws		65,914	46,645
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		335,752	402,740
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		22,480	24,643
45. Cash Ratio [(14+20-10-11) / 7]		.18	.21
46. Operating Accrual Ratio [(14+20+26) / 7]		.29	.32
47. TIER [(31+26) / 26]		32.91	30.17
48. DSCR [(31+26+10+11) / 44]		6.42	5.36

USDA-RUS						BORROWER DESIGNATION Circle Telephone & Electric, LLC	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS						PERIOD ENDING December 31, 2013	
INSTRUCTIONS- See RUS Bulletin 1744-2							
PART C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION						<input type="checkbox"/> See Part C Continuation Attached- (If box is checked)	
EXCHANGE  No. Exchanges	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (n)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
1. Circle	13.50	13.50	23	40	63	3	0
Mobile Wireless							
Route Mileage Outside Exchange Area							
<b>TOTAL</b>	13.50	13.50	23	40	63	3	0



<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>				BORROWER DESIGNATION Circle Telephone & Electric, LLC			
<i>INSTRUCTIONS- See RUS Bulletin 1744-2</i>				PERIOD ENDING December 31, 2013			
<b>PART C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, &amp; HIGH SPEED DATA INFORMATION</b>							
<input type="checkbox"/> See Part C Continuation Attached- (If box is checked)							
<b>4. BROADBAND SERVICE</b>							
<b>Details on Least Expensive Broadband Service</b>							
EXCHANGE	No. Access Lines with BB available <small>(a)</small>	No. of Broadband Subscribers <small>(b)</small>	Number of Subscribers <small>(c)</small>	Advertised Download Rate (Mbps) <small>(d)</small>	Advertised Upload Rate (Mbps) <small>(e)</small>	Price per Month (Standalone/Pkg) <small>(f)</small>	Type of Technology <small>(g)</small>
1. Circle	0	0					
<b>TOTAL</b>	0	0					

NOTE: As of December 31, 2013, Circle Telephone & Electric, LLC had not received a request for broadband services.

USDA-RUS <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>			BORROWER DESIGNATION Circle Telephone & Electric, LLC		
			PERIOD ENDING December 31, 2013		
INSTRUCTIONS- See RUS Bulletin 1744-2					
<b>PART D. SYSTEM DATA</b>					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
2	1	64	1	21.3	
<b>PART E. TOLL DATA</b>					
1. Study Area ID Code(s) a. 613005 b. c. d. e. f. g. h. i. j.		2. Types of Toll Settlements (Check one) Interstate: <input checked="" type="checkbox"/> Average Schedule <input type="checkbox"/> Cost Basis Intrastate: <input checked="" type="checkbox"/> Average Schedule <input type="checkbox"/> Cost Basis			
<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom Plant (1 thru 7)					0
<b>PART G. INVESTMENTS IN AFFILIATED COMPANIES</b>					
INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development	31,621		263,603		263,603

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION Circle Telephone & Electric, LLC <hr/> PERIOD ENDING December 31, 2013
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<b>PART H. CURRENT DEPRECIATION RATES</b>	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) <span style="float: right;"> <input type="checkbox"/> YES    <input checked="" type="checkbox"/> NO         </span>	

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	12.5
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	12.5
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	20.0
8. Central Office Switching - Digital	8.3
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	8.3
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	6.6
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		Circle Telephone & Electric, LLC	
INSTRUCTIONS – See help in the online application.		PERIOD ENDED	
		December 31, 2013	
PART I – STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		5,416
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income		113,633
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3.	Add: Depreciation		11,395
4.	Add: Amortization		2,887
5.	Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>			
6.	Decrease/(Increase) in Accounts Receivable		
7.	Decrease/(Increase) in Materials and Inventory		
8.	Decrease/(Increase) in Prepayments and Deferred Charges		
9.	Decrease/(Increase) in Other Current Assets		(31,621)
10.	Increase/(Decrease) in Accounts Payable		73
11.	Increase/(Decrease) in Advance Billings & Payments		
12.	Increase/(Decrease) in Other Current Liabilities		
13.	Net Cash Provided/(Used) by Operations		
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable		
15.	Increase/(Decrease) in Notes Payable		
16.	Increase/(Decrease) in Customer Deposits		
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(21,099)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		(46,645)
20.	Less: Payment of Dividends		
21.	Less: Patronage Capital Credits Retired		
22.	Other (Explain)		
23.	Net Cash Provided/(Used) by Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)		(7,230)
25.	Other Long-Term Investments		
26.	Other Noncurrent Assets & Jurisdictional Differences		
27.	Other (Explain)		
28.	Net Cash Provided/(Used) by Investing Activities		
29.	Net Increase/(Decrease) in Cash		
30.	Ending Cash		26,809

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